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**The Secretary
Senate Community Affairs Committee
PO BOX 6100
Parliament House
Canberra ACT 2600**

REF: INQUIRY INTO SPECIAL DISABILITY TRUSTS

Response to terms of reference, part (a):

I am the parent of a child with a profound intellectual disability and she is now 20 yrs old. I am supportive of the Special Disability Trust (SDT) legislation however I have not yet availed myself of the facility. I have used the SDT legislation to update my family's estate planning documentation to facilitate the establishment of a SDT for our daughter if one or both of us die unexpectedly. I have also set up testamentary trusts for all my children keeping in mind the financial limitations of the SDT. I plan to have an amount of capital available for my daughter on my death or full time retirement and will look forward to using the SDT when the time is right for all family members.

Response to terms of reference, part (b):

I am not aware of the detail of Part 3.18A of the Social Security Act. I am an interested party to the SDT legislation so should I be made aware of this part of the Act? Or is it sufficient for the legal and financial planning professional to be aware of this when preparing SDT's? Good questions I recommend the Committee consider.

Response to terms of reference, part (c):

I see no theoretical barriers, beyond the impact of interest/growth of capital balance residing in the SDT being declared as income, if the SDT is set up well in advance of the disabled person's need to live off the balance and its income. I have chosen not to set up a SDT at this time as the capital in it would be 'lazy capital' as the financial sector puts it. My capital is working as well and tax efficiently as it can until such time as that capital needs to be split amongst all my children.

Response to terms of reference, part (d):

There may be barriers to Public Trustees and Private Trustees setting up SDT's but I have no experience to draw on in that regard. However, this is a question I recommend the Committee should ask when considering amendments. Also, the beneficiaries (i.e. siblings) of a SDT in the event of the person with the disability dying should not be impacted by onerous tax implications.

Thank you for the opportunity to submit my comments to the Committee.

Yours Faithfully

Matthew Battrick, BSc, GAICD
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